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OPERATIONAL ACTIVITIES FOR DEVELOPMENT

Strengthening the operational activities of the United Nations system, including the governance and financing aspects thereof

Note by the Secretary-General

1. In decision 46/465 on strengthening of the work of the United Nations in the field of operational activities, the General Assembly requested the Secretary-General to submit to the Economic and Social Council, at its substantive session of 1992, an analytical report on strengthening the operational activities of the United Nations system, including governance and financing aspects. It also called upon the Secretary-General to draw upon relevant studies, such as the Nordic United Nations project. The General Assembly indicated that the report should identify other relevant and interrelated aspects of strengthening the effectiveness and efficiency of the operational activities of the United Nations system.

2. In response to this decision, the Secretary-General requested two eminent consultants to prepare a comprehensive analysis on strengthening the operational activities of the United Nations system, including the governance and financing aspects. The Secretary-General believes that the consultants' report prepared on the subject contains comprehensive analytical information which may be particularly useful to Member States in their consideration of this item during the substantive session of the Economic and Social Council. The consultants' report is transmitted to the States members of the Economic and Social Council with this note for their consideration.

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Annex

CONSULTANTS' REPORT ON STRENGHTENING THE OPERATIONAL ACTIVITIES OF THE UNITED NATIONS SYSTEM

CONTENTS

		Paragraphs	Page
I.	SUMMARY	1 - 7	4
II.	THE NEED FOR REFORM	8 - 14	5
III.	REFORM AND RESTRUCTURING EFFORTS IN THE UNITED NATIONS SYSTEM	15 - 27	7
	A. Reform generated by General Assembly resolution 32/197	15 - 19	7
	B. The Special Commission of the Economic and Social Council	20 - 21	8
	C. Restructuring and revitalization efforts since 1990	22 - 27	9
IV.	ISSUES IN GOVERNANCE	28 - 49	10
	A. Governance of operational activities of the United Nations system	28 - 32	10
	B. Four levels of decision-making	33 - 49	11
V.	ISSUES IN FINANCING	50 - 60	16
	A. Financing of operational activities	50 - 53	16
	B. Financing and governance	54 - 56	16
	C. Assessed contribution	57	17
	D. Negotiated pledges	58 - 59	17
	E. Voluntary contributions	60	18
VI.	OTHER ISSUES IN STRENGTHENING OPERATIONAL ACTIVITIES	61 - 65	18
	A. Strengthening the United Nations response at the country level	61 - 63	18

CONTENTS (continued)

		Paragraphs	Page
	B. The process of the triennial comprehensive policy review on operational activities	64 - 65	19
VII.	ILLUSTRATIVE MODELS	66 - 96	20
	A. Model 1. Some elements of the current structure .	73 - 76	21
	B. Model 2. The unified structure	77 - 86	23
	C. Model 3. A common board but separate agencies ...	87 - 91	26
	D. Model 4. Separate agencies	92 - 96	28
Appendix.	TWO REFORM INITIATIVES AND PROPOSALS		30

I. SUMMARY

1. The global development dialogue within the United Nations is conducted in many different forums: in the General Assembly, the United Nations Conference on Trade and Development (UNCTAD), at international conferences and in the preparation of the international development strategies. In many cases, issues and actions agreed to by the Economic and Social Council and in various conferences are debated again and reconfirmed by the General Assembly in what could be a duplicative process. The Nordic United Nations project has suggested the creation of an International Development Council function within the General Assembly and the Economic and Social Council.

Member States may wish to discuss ways of organizing the discussions and deliberations on global development issues around the General Assembly/ECOSOC agenda so as to avoid duplication at different levels.

2. Arrangements for United Nations operational activities have evolved in response to emerging needs. As a result, United Nations agencies concerned with operational activities for development have evolved with different institutional arrangements. They have differing positions and relationships with the General Assembly, the Economic and Social Council and the United Nations Secretariat, and their separate governing bodies and various mandates complicate coherent guidance and oversight by Member States.

Member States may wish to discuss the merit of reviewing the status of the United Nations funds and programmes involved in operational activities and to consider the possibility of consolidating various basic resolutions and evolving mandates into more formal statutes for this type of subsidiary funds, programmes and bodies.

3. Many decision-making functions, such as policy-making and priority-setting for United Nations operational activities are currently distributed over several levels of governing bodies. The mechanisms for translating policies by higher-level bodies, such as the General Assembly and the Economic and Social Council to the operational agencies is not clear. The Nordic United Nations project has suggested that the International Development Council function should provide policy guidance to these agencies.

Member States may wish to consider whether policy-making functions should remain within the existing governing bodies or be exercised through the General Assembly/ECOSOC for a higher level and coordinated policy guidance.

4. A number of Member States have expressed the view that the current governing bodies are not functioning as well as they should in providing operational governance to the United Nations funds and programmes. They are too large to discuss technical and financial issues effectively; they meet too infrequently to respond to upcoming issues and have crowded agendas.

Member States may wish to discuss the merit of smaller executive boards, functioning on a more continuous basis to provide operational governance, as outlined in the present report.

5. The resources for operational activities for development channelled through the United Nations have remained stagnant in real terms and have declined as a share of official development assistance (ODA). The Nordic United Nations project has suggested that a part of the financing should be arranged through assessed contributions from those who participate in the funds and programmes. The bulk of the resources could be provided through a system of negotiated pledges whereby programmes and funding needs could be reviewed in one context. Voluntary contributions for general and special purposes would remain.

Member States may wish to discuss these and other measures to increase the flow of resources for development through the operational activities of the United Nations system.

6. There is a need for increasing the cohesiveness of the field presence of the United Nations system at the country level in order better to meet the needs of developing countries in a comprehensive and concerted manner. These and other important issues in the delivery of United Nations system operational activities issues are extensively dealt with in the context of the triennial comprehensive policy review of operational activities (A/47/... and addenda).

7. For the purpose of illustrating the consequences of different possibilities and of facilitating the discussion among Member States, the report provides four illustrative models. They represent actual and possible structures on a continuum ranging from a centralized unified structure to a highly decentralized one and they are compared to the existing situation.

II. THE NEED FOR REFORM

8. Both donor and developing countries seem to share the view that the United Nations system does not fully exploit the comparative advantages that should be inherent in the system: the sense of partnership for the common good, the system's world-wide experience, its global networks of expertise available to the specialized agencies, its impartiality and non-discriminatory approach and the range of its mandates. There has been stagnation in resources channelled through the system and an increasing reliance on other institutions, both multilateral and bilateral.

9. The perception from the developing countries is often of a system which, in its responses to emergency situations offers a remarkable degree of flexibility but tends to be, in spite of its good intentions, fragmented, operating with too many different procedures and reporting requirements when it comes to development work. It is also excessively project-oriented. The range of distinct activities and sectoral orientation often present a

challenge to the capacity of developing countries to coordinate. As a result, and owing to insufficient linkages among different inputs and the difficulty of integration with national programmes, impact has been less sustainable.

10. Developing countries are in a special position to appreciate the value of the United Nations system in support of their development efforts. An essential feature of the system is that development cooperation is organized through agencies where developing countries themselves are fully represented in decision-making organs and thus are in a position to influence policy decisions. However, an observation expressed by many during the consultations leading to the preparation of the present report concerned the difficulty experienced by the smaller delegations in fully covering the multitude of governing bodies and agendas. Their ability to exercise effective influence has therefore often been limited.

11. Studies undertaken in connection with the follow-up to the Nordic United Nations project trace problems in the functioning of operational activities, and especially their decision-making processes, to the way in which the system's operational agencies evolved. For example, in the larger bodies, the consensus-building approach to decision-making is often, by its very nature, time-consuming and geared towards compromise or postponement of difficult and controversial issues; it is not designed for crisp operational decisions.

12. In order to increase its credibility as an efficient system and to attract resources in a competitive environment, the United Nations should consider issues such as the concept of central funding and the country programming process as a frame of reference. They operate in a reality of poly-centric funding and a programming system involving various funding agencies such as the United Nations Development Programme (UNDP), the United Nations Children's Fund (UNICEF), the World Food Programme (WFP) and the United Nations Population Fund (UNFPA). Moreover, specialized agencies provide operational activities from regular budget sources, through extrabudgetary and multi-bi sources. UNDP funding constitutes less than 27 per cent of total operational activities (see A/47/...). In addition, the idea of the country programming process as the frame of reference has been superseded by the concept of an integrated operational response by the United Nations system to a national programme framework (General Assembly resolution 44/211, para 17. For a discussion of this matter see A/47/... and addenda).

13. Further changes involve the evolution of the tripartite system which is comprised of developing countries, UNDP and the specialized agencies of the United Nations system. Curiously enough donor countries were never included as outlined in the "consensus" resolution (General Assembly resolution 2688 (XXV), annex). The system is built on a division of functions which provided the specialized agencies with the role of "executing agencies" for projects. With the extension of national execution, that role is changing to "... the provision of technical support to Governments on a multisectoral and sectoral basis, as well as a supportive technical role in the project cycle, as requested by Governments ..." (resolution 44/211, para. 19).

14. The time may be right for a thorough, structural review of the workings of the United Nations system's operational activities. The Nordic United Nations project has put the focus on the need to review decision-making at the intergovernmental level, and the need to change the financing system. The report prepared for the 1992 triennial comprehensive policy review of the system's operational activities indicates the need to improve the modalities of the delivery system.

III. REFORM AND RESTRUCTURING EFFORTS IN THE UNITED NATIONS SYSTEM

A. Reform generated by General Assembly resolution 32/197

15. In 1977, the General Assembly adopted, in its resolution 32/197, reforms aimed at introducing changes of a structural, administrative and financial nature whose implementation spanned over a long period of time. Reaffirming the respective mandates of the entities of the system, the resolution sought to achieve the strengthening of policy-making at the level of the General Assembly under the authority of the Assembly and the Economic and Social Council. Reaffirming the supremacy of the General Assembly in the economic, social and related areas, it bestowed on the Council the role of being a central forum for the discussion of international economic and social issues of a global or interdisciplinary nature, the monitoring and evaluation of implementation of overall strategies, policies and priorities established by the Assembly and the harmonization of operational implementation of relevant decisions and recommendations coming from other relevant forums. The Council was to play a significant role in carrying out the comprehensive policy review of operational activities throughout the United Nations system.

16. Overall coordination of the activities of the system in the economic, social and related fields is a responsibility, entrusted by the Charter of the United Nations to the Economic and Social Council and reaffirmed by resolution 32/197. The Council's efforts to discharge this responsibility were reinforced through the creation of the Office of the Director-General for Development and International Economic Cooperation, to provide at the Secretariat level, leadership to the various components of the system in that field.

17. In respect of operational activities of the United Nations system for development, the objectives of the reform measures of 1977 included the following objectives:

(a) To attract real increases in the flow of resources on a predictable and assured basis;

(b) To provide technical assistance to developing countries in conformity with the national objectives and in keeping with the overall strategies, policies and priorities of the General Assembly and the Economic and Social Council;

(c) To achieve optimum efficiency and the reduction of administrative costs with a consequent increase in the proportion of resources available to meet the assistance requirements of recipient countries.

18. Similarly, a proposal was made to entrust overall responsibility for, and coordination of operational activities at the country level to a single official, to be designated in consultation with the country concerned and taking into account the sectors of particular interest to that country. Emphasis was placed on the multi-disciplinary dimension in sectoral development assistance programmes. This is the legislative basis of the Resident Coordinator's system whose arrangements were established by the Administrative Committee on Coordination (ACC) the following year, and confirmed by the General Assembly.

19. With a view to stimulating higher levels of voluntary contributions for operational activities, resolution 32/197 proposed measures ranging from the gradual integration, where appropriate, of the United Nations funds and programmes financed by extrabudgetary resources to the establishment of a single governing body (excluding UNICEF, WFP and the United Nations Environment Programme (UNEP)) and replacing the existing governing bodies. Emphasis was placed on the need to achieve "uniformity of administrative, financial, budgetary, personnel and planning procedures, including the establishment of a common procurement system, harmonized budget and programme cycles, a unified personnel system and a common recruitment and training system" (para. 32). Substantive support for technical cooperation activities which were not covered by the United Nations organs programmes or specialized agencies was given to a new body for technical cooperation for development.

B. The Special Commission of the Economic and Social Council

20. On the basis of recommendation 8 of the Group of High-level Intergovernmental Experts to Review the Efficiency of the Administrative and Financial Functioning of the United Nations, the Economic and Social Council established in 1987 a Special Commission on the In-Depth Study of the United Nations Intergovernmental Structure and Functioning in the Economic and Social Fields. The Special Commission held extensive discussions and negotiations on the restructuring of the intergovernmental machinery, the agendas and the Secretariat support structures. About 18 months of the Commission's efforts ended in 1988 when it discontinued its work with the submission to the General Assembly of its report (E/1988/75) containing divergent positions. Proposals on the merger of some committees, the expertization of a few others, and the role of the Council and its size were among the difficult issues on which no agreement was possible.

21. The Council resumed its efforts in 1988 leading to the adoption of resolution 1988/77. This effort helped to turn attention to the Council's role as an effective forum for the discussion of economic and social issues of broader dimensions. In respect of practical achievements, however, this effort also ended in a reaffirmation of the Council's previous responsibilities. Operational activities were singled out to be treated as a

distinct theme to be discussed annually, with the comprehensive policy review scheduled to continue on a triennial basis.

C. Restructuring and revitalization efforts since 1990

22. Fundamental changes in international relations, the end of the Cold War and the prevailing mood of cooperation among Member States have ushered in an era of constructive collaboration. As a result, with the adoption of resolution 45/177 in 1990, a new encouraging trend for reform has emerged.

23. Important achievements in ongoing reform measures of the Economic and Social Council include the adoption of resolution 45/264. This resolution provides a high-level segment meeting of the Council for four days, with ministerial participation (this had been proposed originally in resolution 32/197, annex, para. 9), devoted to the consideration of one or more major economic and/or social policy themes. The high-level segment is intended to serve as a source of policy guidance on a system-wide basis. Because of its political importance, the high-level segment is intended to help facilitate the convergence of views during the consideration of issues in different forums.

24. The conclusions of the deliberations of the high-level segment are submitted to the relevant forums in the form of a presidential summary. While the summary does not have legal standing, it none the less enjoys considerable political significance, making it an instrument for high-level policy guidance to United Nations bodies reporting to or through the Council.

25. Resolution 45/264 established operational activities as a separate segment for the follow-up of policy recommendations and decisions of the General Assembly. Moreover, the resolution states that the review of operational activities would continue to be undertaken by the General Assembly, while the Council was to focus on the follow-up aspect.

26. As a responsibility entrusted to the Council by the Charter (Article 63), coordination of the activities of the specialized agencies, organs, organizations and bodies of the United Nations system is also the subject of a separate segment. Discussions under this segment are organized around one or more themes designed to focus attention on the activities of the United Nations system in these fields. The participation of the heads of all United Nations organs and organizations, including the executive heads of multilateral financial and trade institutions is encouraged; the adoption of recommendations emanating from this dialogue and the follow-up of its implementation and reporting arrangements by the Secretary-General to the Council on an annual basis are essential elements of the reformed Council.

27. Moreover, further to paragraph 6 (3) of the annex to resolution 45/264, measures agreed upon during the forty-sixth session of the General Assembly in 1991 represented a reversal of the trend of expansion in membership of intergovernmental bodies. A case in point is the transformation of the

Committee on Science and Technology for Development and the Committee on the Utilization of New and Renewable Sources of Energy, both of which are subsidiary bodies of the General Assembly, to a functional commission in the case of the former and to an expert body in the latter case. The Committee on Natural Resources and the Committee on the Development and Utilization of New and Renewable Sources of Energy have become expert committees. Like the Intergovernmental Committee on Science and Technology, the membership on the Natural Resources and the Energy Committees is reduced to 24 government-nominated experts.

IV. ISSUES IN GOVERNANCE

A. Governance of operational activities of the United Nations system

28. Operational activities of the United Nations have evolved through actions of the General Assembly in response to the emerging needs of Member States. The structure of the system has thus evolved according to needs rather than to a specific a priori design. A brief review of the General Assembly resolutions defining the different organizations involved in operational activities for development - UNDP, UNICEF, WFP, UNFPA and the United Nations Drug Control Programme (UNDCP) - reveals that different approaches were employed by the Assembly. While these organizations share the common characteristic of being funding organizations, each of them has its own respective mandates and functions.

29. UNDP was charged with: "systematic and sustained assistance in fields essential to the integrated technical, economic and social development" (General Assembly resolution 1240 (XIII)). Numerous resolutions and decisions have further refined and expanded these functions. UNICEF was created "for the benefit of children and adolescents of countries ..." (resolution 57 (I)), i.e. defined by its target group. This function has subsequently been expanded into broader social areas. WFP is defined by "using food as an aid to economic and social development ...", i.e. by the use of a specified input for development. UNFPA in turn is defined by its responsibility to "promote population activities proposed in international strategies ..." and to "meet the needs of developing countries ... for assistance in the area of population activities ...". UNDCP is defined by a funding role for operational activities and by the issues and problems connected with the trafficking in illicit drugs. The specialized agencies of the United Nations system have in turn a broad range of responsibilities, including operational activities.

30. By the establishment of UNICEF, the United Nations chose for the first time a mechanism to govern and manage operational activities, which made the Council, and in particular its Social Commission, the institution to provide guidance for these operations. With the separation in 1956 (by General Assembly resolution 1038 (XI)) of the membership of the UNICEF Executive Board from that of the Social Commission, both policy and operational governance began to be more clearly delegated to specially created smaller governing bodies for the operational activities of the United Nations system.

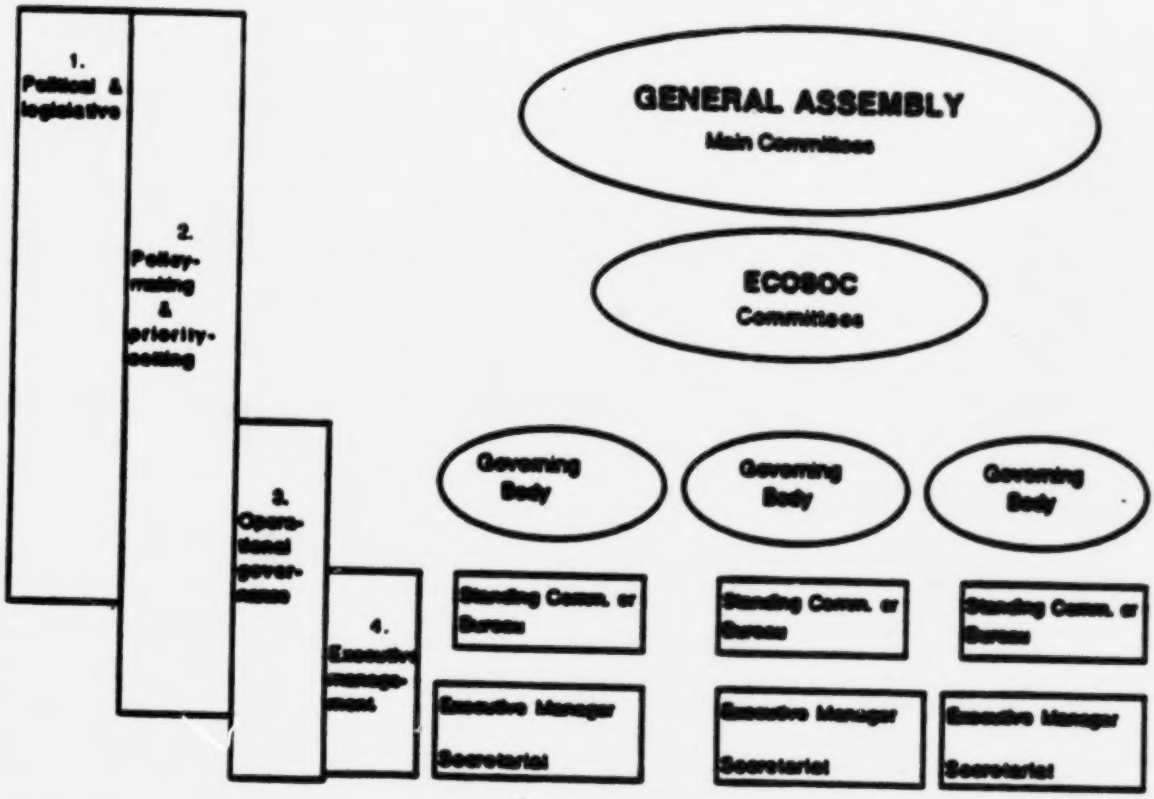
31. In accordance with this decision, the functional commissions of the Council ceased to be used for operational or policy direction of operational activities. This issue has been revived only recently, in the context of governance issues for the consolidated United Nations International Drug Control Programme Fund, with the possibility of using the Commission on Narcotic Drugs as the intergovernmental body responsible for approving the programme and budget of the Fund. The Council's role in governance of the operational agencies has been confined to the election of members to their governing bodies and to reviewing their reports before forwarding them to the General Assembly.

32. The governing bodies of the different operational agencies, however, have not always been able to function effectively. Some Member States have pointed out that they are too large, too unwieldy and meet too infrequently to provide the guidance and support needed by the executive heads. In response to these problems, some of the organizations have therefore created various advisory bodies. While such informal bodies are very useful and practical for open and constructive discussions of technical problems, they may at times leave themselves open to the question whether they are sufficiently representative. This is particularly the case where groupings have emerged which go beyond normal caucusing.

B. Four levels of decision-making

33. The follow-up discussions of the Nordic United Nations project have identified four levels to describe the functions of governance for United Nations operational activities for development. The model shown in figure I below illustrates how an overlap between functions has evolved. The four levels are shown on the left-hand side of figure I. The figure serves to illustrate that political and legislative questions are sometimes dealt with almost down to the executive level; policy-making and priority-setting tends to involve virtually all levels from the General Assembly down to the executive. Operational governance stays at the level of governing bodies, but they meet only once a year. The intergovernmental level is shown as being involved at times in issues that should be left to the executive management.

Figure I


1.
Political & legislative
2.
Policy-making & priority-setting
3.
Operational governance
4.
GENERAL ASSEMBLY
Main Committees
ECOSOC
Committees
Governing Body
Governing Body
Governing Body
Executive Manager
Secretariat
Executive Manager
Secretariat
Executive Manager
Secretariat

1. Political and legislative level

34. The functions of the political level can be described as: to initiate consultations and negotiations leading to new conventions and other instruments for international development cooperation. It includes (a) the creation of subsidiary organs or determining their mandates and establishing and abolishing sub-organs; (b) determining the mandates, powers, structures and organization of the sub-organs of the General Assembly; and (c) establishing overall objectives and strategies for key United Nations programmes involved in international development cooperation.

35. The functions and powers of the General Assembly are embodied in Article 10 of the Charter, i.e. it is to "... discuss any question or any matters within the scope of the present Charter or relating to the powers and functions of any organs provided for in the present Charter ...". As such it may make recommendations to the members of the United Nations on issues of international economic and social cooperation spelled out in Article 55. Member States have also pledged themselves "to take joint and separate action in cooperation with the Organization for the purposes set forth in Article 55" (Article 56). The appropriate forum for the dialogue on global/international development issues and the ensuing action programmes would therefore seem to be the General Assembly, using the machineries of the Economic and Social Council, the United Nations Conference on Trade and Development (UNCTAD) and other global conferences as instruments for preparing the issues before their final adoption by the Assembly.

36. Problems arise when ministers - or even heads of Government or State - attend and endorse conclusions of international conferences, which then have to be reopened and confirmed by the General Assembly. To meet this problem, the Nordic United Nations project proposes a forum for high-level discussion on global development issues, an "International Development Council", within the General Assembly itself, because of its universality and its level within the United Nations. It implies also avoidance of duplication of policy debates. In other words, global development policy issues would be dealt with at the General Assembly level only.

37. One issue concerning this level and operational activities is the nature of resolutions. In the past, they generally had the character of negotiated political documents, reflecting many different points of view and accommodating compromises, rather than giving specific and precise instructions.

38. Another issue is the manner in which some programmes were established. With the "Consensus" resolution of 1970, the General Assembly instructed the UNDP Governing Council to prepare for its consideration a draft omnibus Statute for UNDP. The Governing Council, however, failed, in spite of deliberations over a number of years, to reach agreement on the full text of a draft statute, and efforts were postponed indefinitely in 1977.

39. Thereafter, efforts of the General Assembly to create a constitutional type of instrument for operational subsidiary programmes and organs were not

pursued. The original resolutions, together with a cumulative body of successive resolutions, which touch upon the function of the operational agencies, form today a set of basic texts making up the mandates of the various operational organizations. It would seem pertinent to consider the question of reintroducing the concept of formal statutes for the subsidiary organs of the United Nations.

2. Policy-making

40. While policy-making at the political level has been described in section B.1 above, the functions involved in policy-making and priority-setting for the United Nations funds and programmes can be described as: to establish programmes, strategic goals, targets and priorities for United Nations funds and programmes; to coordinate programme priorities between the funds and programmes; to review and approve medium-term plans, including financial plans; and to approve programme and administrative budgets for funds and programmes.

41. The role of the Economic and Social Council, as defined in the Charter, is essentially that of making recommendations to the General Assembly in its areas of competence, and to assist the Assembly in discharging its functions in the economic, social and related sectors. Because of its limited membership, the Council has not always enjoyed full support in discharging these functions. On the other hand, owing to its current size of 54 members and open-ended participation of observer delegations, the Council has become a large forum for discussion of operational matters. However, since policy issues dealt with by the Council are taken up by the General Assembly, the policy-making role of the Council is limited.

42. The overlap and duplication of functions between the General Assembly and the Council were raised previously by Member States in the context of the reform and restructuring of intergovernmental machinery. It had been pointed out that the review of operational activities was taken up annually both in the General Assembly and the Council. Any duplication in operational activities could be limited if the General Assembly, in keeping with its resolution 35/81, focused on the triennial comprehensive policy review and left the Council to deal with annual follow-up in the remaining two years. However, in view of its narrow focus on operational activities and the ongoing restructuring and revitalization process of the Council, the issue of duplication between the General Assembly and the Council will not be pursued further in the present report.

3. Operational governance level

43. Operational governance is the mechanism for providing the intergovernmental guidance and support to executive heads. Respective governing bodies act on behalf of the membership at large in interpreting decisions made at higher organs; they provide guidance and interact with the executive and management levels.

44. A feature of governance arrangements for operational activities for development is that they require the active involvement of both donor and recipient countries. It is indeed of utmost importance to all parties that resources are used with efficiency and effectiveness for the specified purposes and within the mandates and policies laid down.

45. The governing bodies of the organizations involved in operational activities must make informed, considered and clear decisions to guide the organizations using the United Nations practice in decision-making. This requires measures to make these bodies function as far as possible on a collegial basis, facilitating consensus-building.

46. The governing bodies of the operational organizations, in spite of many important achievements, often had difficulties in reaching this type of decision on many central issues. This stems partly from the size of these bodies, and their crowded agendas. With open-ended participation, they have become too large to deal effectively with technical and complex issues. Meeting only once a year, they are not able to respond adequately to new situations and issues arising between sessions. Concerns of Member States range from the difficulties in discussing substantive development issues, to the problem of being adequately represented in the multitude of discussions taking place simultaneously in various committees. Of equal concern is the length and the high cost of sessions lasting several weeks and involving large numbers of delegates and officials.

47. In response to these and other problems, the Nordic United Nations project has called for a review of the functions of these governing bodies, and proposed that overall policy and political issues be dealt with by a high-level, universal body equipped with the necessary preparatory machinery as described in section B.1 above. Operational issues would be dealt with by smaller governing boards, with a high degree of professional and management competence, and continuity in their functioning.

48. The functions of such limited standing boards could include: the interpretation of mandates, policies, priorities and strategies set by higher-level governing bodies; approval of country and intercountry programmes and of projects; review of plans and budgets; discussion of new programme initiatives from the executive management; monitoring of performance; and initiation and review of evaluations.

4. Executive management

49. It is a prerequisite for efficiency in operational activities that there should be a clear delegation to executive heads of authority and responsibility for the administration and management of organizations. Control at the intergovernmental level should be confined to provision of policies, guiding principles, general directions and monitoring and evaluation. The functions of executive management are: to manage, organize, supervise and control the work of the organization; to prepare plans and budgets; and to prepare performance and financial reports.

V. ISSUES IN FINANCING

A. Financing of operational activities

50. The United Nations funds and programmes for operational activities for development (UNDP, UNFPA, UNICEF and WFP) received in 1990 US$ 3.43 billion from Governments and other sources and spent approximately $2.85 billion as development grant. 1/ The magnitude of resources channelled through the United Nations for development is therefore sizeable, especially given its focus on the low-income and least developed countries. While the flow of resources in nominal terms has shown some increases over the last five years, it has declined as a share of total ODA, and has fallen short of targets set. The informal targets for UNICEF have generally been exceeded as have those of WFP in the last two years.

51. In spite of the relative stability in contributions over the years, the funding base remains weak and heavily dependent on a limited number of donor countries making annual voluntary contributions. To a large extent contributions are also made for special-purpose trust funds. It should be pointed out that the $3 billion in operational activities is made up of trust funds and country and intercountry programmes, each with its own purpose and priorities. It may therefore be of interest to look at the funding principles for the United Nations as they are found in the Charter and in the Financial Regulations established by the General Assembly which guided the early creation of these funds.

52. The operational activities of the United Nations were originally organized as trust funds. 2/ The fundamental principle of a trust fund is that it should be financially insulated from the finances of the Organization, i.e. the Organization's budget should not be affected by any deficit or surplus of the trust fund. They should cover their own costs, collect their own contributions and investment income.

53. For the major funds and programmes the General Assembly has decided that their governing bodies may establish their own financial regulations and rules, consistent with those of the United Nations. They have therefore moved beyond the traditional concept of a trust fund and become "funds" and "programmes". As such they have proved themselves capable of acting with great flexibility.

B. Financing and governance

54. Some of the key issues in the financing of United Nations operational activities are linked to the status of operational activities as being voluntary. Participation in United Nations operational activities is voluntary, open to the States Members of the United Nations, and to the membership of the specialized agencies and the International Atomic Energy Agency. Contributions towards their financing are voluntary and pledged on an annual basis, in national currencies.

55. The General Assembly resolutions dealing with the creation of the Governing Councils for the Special Fund, UNDP and the Capital Development Fund all emphasize the importance of taking into account the contributions to the funds when electing members from the economically more developed countries. Equally, if governance participation would be related to the size of the core contributions, this could potentially serve as a considerable incentive towards increasing such contributions.

56. The Nordic United Nations project has pointed to the need to enhance credibility in the efficiency and effectiveness of the system in order to restore the role of the United Nations in development matters and to provide a base for increased resources to be channelled through these organizations. Repeated attempts at reforming the system have pointed towards weaknesses in governance and the need to improve decision-making arrangements, especially at the intergovernmental level. The need to reform the financing system to provide for better burden-sharing among the participants, more predictable and increased resources and a better way of assessing programmes and funding in one single context through a negotiation process have also been raised.

C. Assessed contributions

57. UNICEF, UNDP, WFP and UNFPA can be seen as organizations where member States participate either as donors or as recipients or both. The Nordic United Nations project has argued, that, as in the case of a specialized agency, those member States who have chosen to participate should share some of the expenses of the organization according to the agreed United Nations scale of assessment. This would include the administrative budget of the organization. According to the Nordic United Nations project, if contributions were seen as obligations and not as voluntary contributions for development purposes, this would serve not only to redistribute the burden of financing the administration, but would also free a corresponding amount to be used for programme activities.

D. Negotiated pledges

58. Negotiated pledges, or multi-year pledges, form part of the replenishment mechanism of the soft windows of the development banks. Applied to the United Nations, they would need to cover developing countries also. They would make it possible to look at proposed programmes and their funding in one context and one set of discussions, which could bring the financing process more in line with the customary approach to public financing, i.e. by first presenting the programmes for which funding is being sought and then discussing financing arrangements.

59. Such an approach is proposed by the Nordic United Nations project. Programmes worked out with developing countries could form the basis for collective funding discussion with full participation by both donor and developing countries as well as other potential funding sources. The

round-table meetings, organized by Governments and assisted by UNDP and the consultative group arrangements organized with assistance from the World Bank could form the beginning of the core of such a system. The organizations could use their resources to prepare such programmes.

E. Voluntary contributions

60. It has frequently been alleged that a system of negotiated, multi-year pledges, by its very nature, would lock the overall agreed amount to the pledge of the most conservative donor and therefore not lead to increased resources for the organization. In order to counteract such an effect there would be a need for both additional voluntary contributions and special-purpose contributions.

VI. OTHER ISSUES IN STRENGTHENING OPERATIONAL ACTIVITIES

A. Strengthening the United Nations response at the country level

61. Resolution 32/197 had viewed the UNDP country programming process as "a frame of reference for the operational activities carried out and financed by the organizations of the United Nations system from their own resources" (annex, para. 33). Assumption of the system's effective functioning, both at UNDP's inception and subsequently, was based on:

(a) UNDP as a central funding organization for technical cooperation;

(b) The specialized agencies' role as executors of projects;

(c) The country programming process enabling recipient countries to integrate the sectoral inputs of the various organizations of the United Nations system and resources from other sources;

(d) The recipient country playing a leadership role in the country programming process as well as in its implementation.

62. For various reasons, however, the UNDP country programming exercises have not fully served their intended purposes. Significant among the reasons have been the multiplicity of channels of funding, the varying mandates of the United Nations system and the reluctance of recipient Governments to make full use of the process for this purpose. This reluctance of Governments may, on the one hand, be a function of the size of the resources available, and on the other, of the system's lack of capacity to assist them with a comprehensive assessment of needs (see A/42/326 and Add.1, para. 21).

63. The Resident Coordinator, normally the UNDP Resident Representative, is responsible for providing team leadership for the substantive collaboration in operational activities for development of the United Nations systems at the

country level. The UNDP Resident Representative is also the country representative for United Nations bodies with no country representation and for UNFPA, WFP, the United Nations Industrial Development Organization (UNIDO) etc. The functioning of the resident coordinator system must be viewed in the light of existing institutional and financial constraints and the various demands being placed upon the United Nations system at the country level. This subject is reviewed fully in the report submitted for this year's comprehensive triennial policy review (A/47/... and addenda).

B. The process of the triennial comprehensive policy review on operational activities

64. A comprehensive policy review of operational activities, as outlined in General Assembly resolution 32/197, was conducted by the Assembly annually until 1980 when it was revised, by resolution 35/81, as a triennial exercise. The triennial comprehensive reviews have contributed significantly to the evolution of policies and procedures guiding the operations of the United Nations system in relation to developing countries. The review exercise has helped to identify constraints inhibiting effectiveness and efficiency in various aspects of programme cooperation at the country level. The importance of this exercise mainly derives from the opportunity it provides for the comprehensive consideration by all Member States of various issues. Its objective is to provide policy guidance to the agencies and organizations involved in operational activities, the determination of priorities, enhancement of coordination and cooperation at the country level and the improvement of programme and project delivery to recipient countries. The adoption of important General Assembly resolutions such as 42/196 and 44/211 following the comprehensive policy review attest to the relevance of the exercise.

65. The implementation of resolution 44/211 is the focus of this year's triennial review. The report prepared for the review confirms the dispositions of resolution 44/211, but more needs to be done for their effective and fuller implementation. Among the areas that the report covers are:

(a) Improvements are identified to achieve an integrated United Nations response to national priorities under the leadership of the Resident Coordinator. Successful initiatives in collaborative programming need to be thoroughly assessed with a view to developing models to be applied elsewhere;

(b) Suggestions are made for providing an integrated United Nations response to a national framework involving, inter alia, improvement of the capability of the resident coordinators to provide coordinated advice from a variety of sources;

(c) Harmonization and adaptation of programming cycles of all United Nations funding agencies to planning periods of Governments is seen as being significant in securing an integrated response from the United Nations

system. In view of the shift away from longer-term perspective plans to shorter-term national strategies, the system needs to adjust its programming cycles accordingly;

(d) The shift from a project to a programme approach should be accelerated, taking into account a number of specific elements which are identified in the report;

(e) There is a need for strengthening the resident coordinator system and a number of practical steps are being proposed;

(f) A major effort in capacity-building through training and the extension of national execution is still needed;

(g) There is need further to delegate authority to the country level by the United Nations system, while making full use of the technical capacity of the relevant United Nations agencies;

(h) Policies and procedures of the United Nations system should be adapted as far as possible to national practice in all aspects of the programme cycle.

VII. ILLUSTRATIVE MODELS

66. To assist in their review of the subject of governance, Member States have asked that this analytic report contain options. Therefore, four models, including the current situation, are presented. They illustrate four internally consistent governance structures and represent distinctly different possibilities. They represent possibilities on a continuum ranging from a highly centralized, unified structure to a highly decentralized one.

67. In a decentralized structure, each fund or programme is largely a self-governing entity. They are held together by a set of policies established by the General Assembly and the Economic and Social Council, and a system of reporting and evaluation requirements which permit the Assembly and the Council to monitor their implementation.

68. The models are outlined in very broad terms only, to provide a starting point for a discussion among Member States. Furthermore, the models focus on the funding agencies of United Nations operational activities for development, while recognizing that there are many other actors within the system. In particular, many specialized agencies carry out operational activities which are governed by their respective governing bodies or, as concerns their execution of UNDP and UNFPA-funded activities, by the Governing Council of UNDP.

69. Common to the new models are four objectives which can be summarized as:

(a) Increase the importance and impact of the General Assembly and the Economic and Social Council in the international policy dialogue on development issues;

(b) Improve the impact of United Nations development cooperation through effective policy-making and priority-setting;

(c) Increase the responsiveness of United Nations agencies to policy decisions through greater transparency and accountability in the interface between governance and management;

(d) Enhance the credibility of the United Nations as an efficient and effective instrument for development cooperation, thereby encouraging increased resource flows to be channelled through the United Nations;

(e) Improve an integrated response by the system to recipient priority needs.

70. Underlying all models is an attempt to identify and separate the functions mainly of a political and broad policy character which require a machinery to support negotiations and policy deliberations, from those dealing mainly with operational and more technical tasks. The former would tend to require participation of more high-level officials with the capacity and authority to engage in negotiations on major policy issues, while the latter require participation by individuals with substantive and managerial expertise in the fields represented by the organizations concerned.

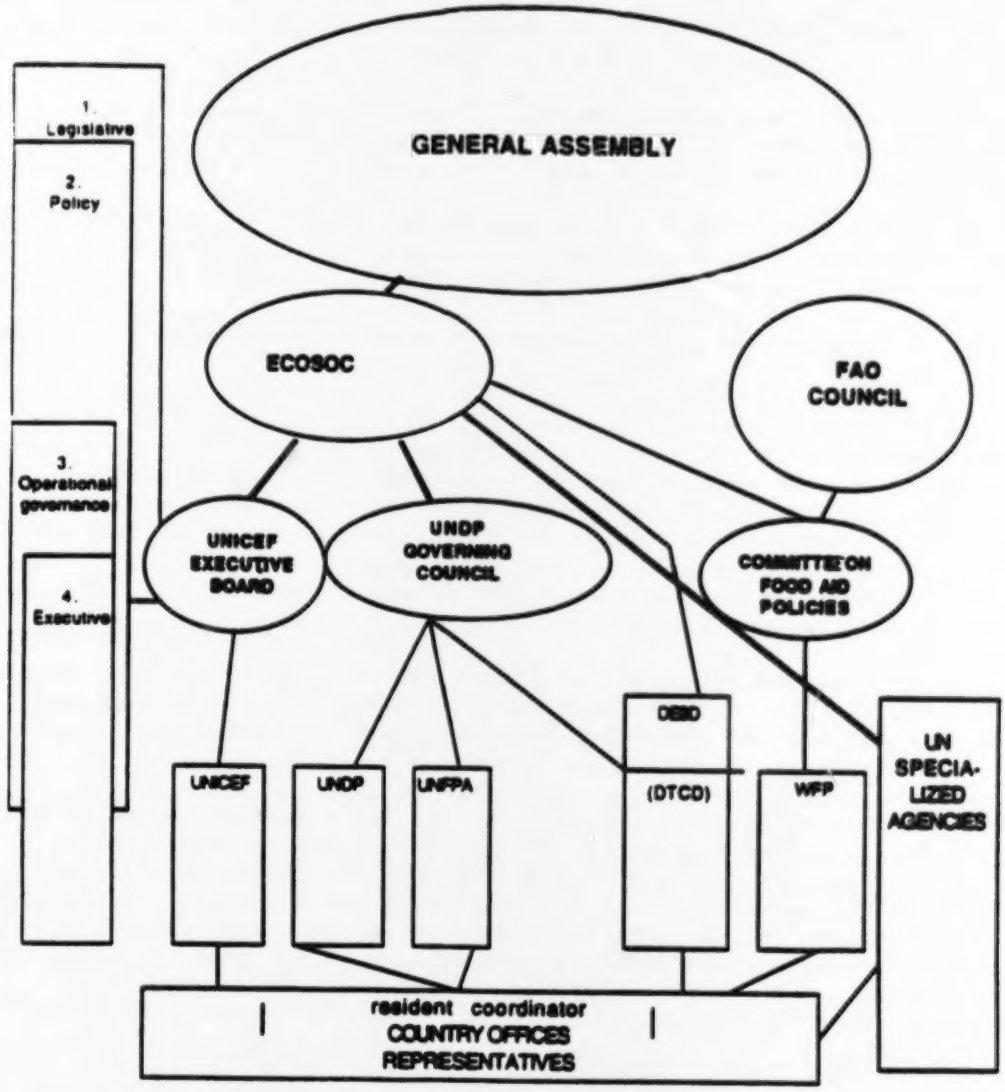
71. A general assumption in all models is that no revision of the Charter is required and that the fundamental principles underlying decision-making in the United Nations, such as one-member-one-vote and the principle of consensus, remain unaltered.

72. The high-level policy forum for the international development dialogue - what the Nordic United Nations project has termed the International Development Council function - is subsumed in some models under the cluster of the Economic and Social Council, and the Second and Third Committees of the General Assembly. This assumption is made in the full knowledge of the ongoing revitalization and restructuring efforts of the Council, which remain unaffected.

A. Model 1 (figure II). Some elements of the current structure

73. Description: The current situation is a reflection of the long evolution of operational activities. The UNDP Governing Council, the functions of which were inherited from those of the United Nations Special Fund Governing Council, exercises "the immediate intergovernmental control of the policies and the operations" of UNDP and, later UNFPA and DTCD (now DESD). The use of UNDP and UNFPA resources by executing agencies is also reviewed by the

Figure II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resident coordinator
COUNTRY OFFICES
REPRESENTATIVES

Governing Council. The Governing Council meets normally once a year for one month with an extensive agenda. Often, a special seminar is held in February in conjunction with the organizational meeting. Inter-sessional meetings of the Committee on Programme-Related Matters are also held. When major items require attention between sessions, informal meetings are convened by the President of the Council. UNICEF's Executive Board establishes policies and determines programmes and allocations of funds. These bodies provide operational governance. With sessions only once or twice a year and vastly expanded activities this has become increasingly difficult, leaving the executive head to take the initiative on many issues that fall into the area of operational governance. The World Food Programme has been implementing a new, pilot method of work of the Committee on Food Aid Policies and Programmes (CFA) for the last four years. Under this method, CFA concentrates on policy matters, while the technical issue of project approval should be handled by a subcommittee on projects (SCP). The second special session of the CFA in April 1992 considered this pilot scheme, but did not reach a decision on the matter, owing to differing views on the issue of size and participation in the SCP. The issue has been referred to the thirty-third regular session of the CFA in May 1992. Revised general regulations and the new method of work do not change the original dual reporting responsibilities of the CFA to the General Assembly through the Economic and Social Council, as well as to the Conference of the Food and Agriculture Organization of the United Nations (FAO) through the FAO Council.

74. At the country level, separate arrangements have emerged, which are gradually coming together, in response to repeated Assembly resolutions, within the resident coordinator system.

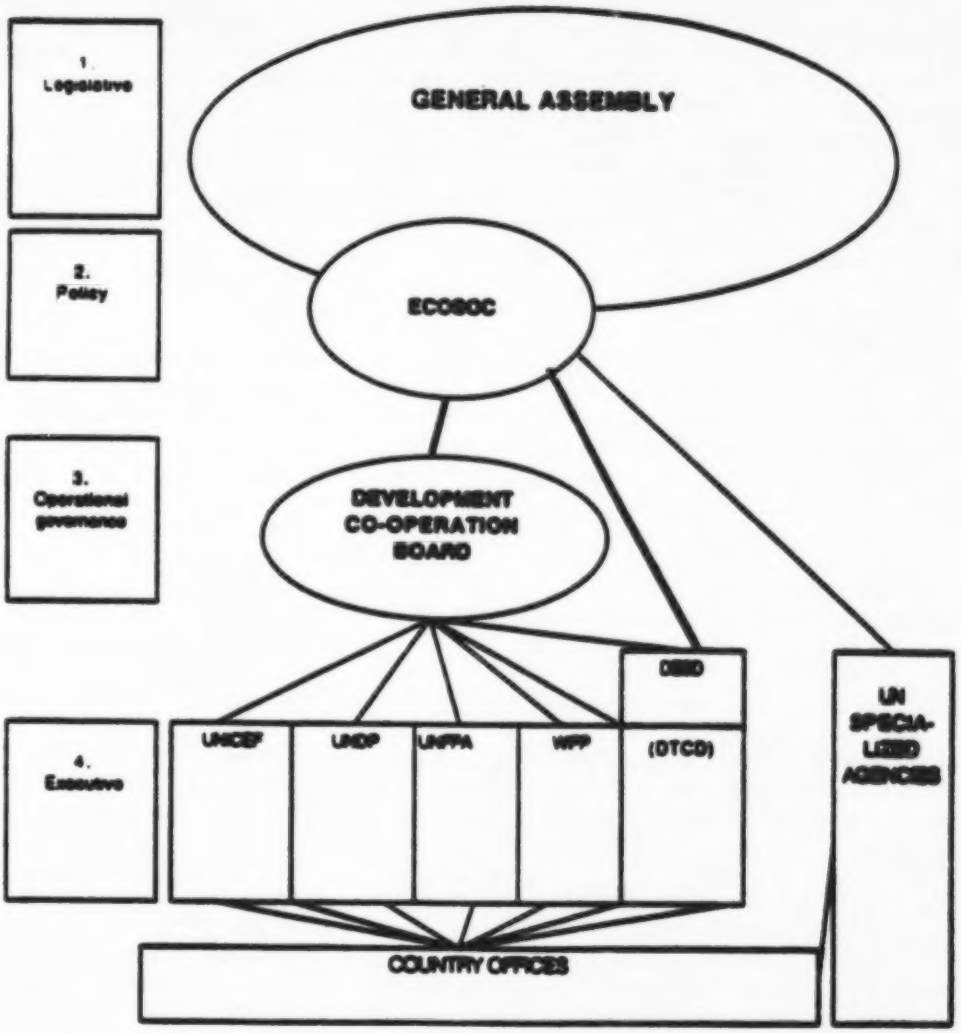
75. Advantages: The current situation is the outcome of long and complicated negotiations. It may represent the best possible situation, given the United Nations decision-making system and the diversity of interests involved. Any attempt at fundamental restructuring might require choices which are not easily made and the process could disrupt the functioning of operational activities.

76. Disadvantages: Decision-making on important matters is slow and must be negotiated at several levels, with a large number of interested parties. Objectives are expressed in negotiated, general terms which are difficult to make operational. The current system is seen by some as lacking focus, of being uncoordinated, lacking transparency and being unclear about accountability.

B. Model 2 (figure III). The unified structure

77. Description: A unified structure would primarily aim at achieving maximum coordination among the funds and programmes involved in development activities and would eliminate or avoid overlap and duplication of effort. It would separate the policy functions, dealt with by the Economic and Social Council and the operational governance functions, handled by a Development Cooperation Board.

Figure III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78. The General Assembly and the Council would elaborate and determine the long-term, strategic policies and decide on the mandates and roles of the United Nations agencies. The Council would draw upon the inputs of its functional commissions, expert committees, the Committee for Programme and Coordination, the Administrative Committee on Coordination and the Department for Economic and Social Development for the preparation of background and expert material for its deliberations at various segments.

79. Operational governance could be performed through a standing Development Cooperation Board with a limited membership of maximum 25 members, with alternates. Member States elected to the Board would nominate persons with appropriate substantive and managerial qualifications. It is assumed that the composition of the Board would reflect an appropriate representation between major contributing and recipient countries, and selected from countries participating in the development activities. The emphasis should be on the Board's ability to function on a collegial basis and avail itself of the best knowledge and expertise available. It would meet regularly, or as often as required. Executive heads would be responsible for each Fund/Programme but financial and personnel administration would be integrated with that of the Secretariat.

80. The specialized agencies would provide substantive advice and could second staff to country offices. The Secretary-General would appoint, promote and reassign the Resident Coordinator and his staff. The field offices would be fully integrated and financed from the assessed budget of the United Nations. It is assumed that, in accordance with relevant General Assembly resolutions, projects would be executed and implemented nationally. The annual pledging conference would be restructured into a negotiating process.

81. Advantages: This model would underscore that operational activities for development are an integral part of the efforts of the United Nations to promote international economic and social cooperation in accordance with Chapter IX of the Charter.

82. The key advantages of the unified structure are in coordination and gaining "critical mass" for the United Nations to engage in more comprehensive development efforts. The current size of the annual field programme of the organizations concerned is in the order of magnitude of US$ 2.5 billion to $3 billion. A theoretical three-year programme would be considering resources in the magnitude of $7.5 billion to $9 billion. While a sizeable portion would be for emergencies and disaster efforts, the remaining funds would enable the United Nations to prepare programmes that could have a considerable development impact, especially if augmented and coordinated with other concessionary resources.

83. The sharing of the funding could be discussed on a system-wide basis rather than for each Fund/Programme separately. If the administrative expenses were included under the United Nations regular budget, additional resources would be released for programme activities.

84. A further advantage would be that the enhanced importance and significance of the decisions made by the Assembly, the Council and the Development Cooperation Board would serve to attract participation by senior and highly qualified individuals.

85. Disadvantages: The different character of the agencies concerned would tend to be lost. The motivation for the staff to exert itself in raising funds and implementing the programme may be lost. It may therefore be that the total resources may be less than a less unified model.

86. While consolidation of the decision-making increases the potential for more efficient and effective decisions, it also could increase the risks of confrontation. This could have adverse effects on donors' willingness to contribute and the interest of developing countries to participate. The concentration of United Nations activities at the country level may be seen as having a potential for increased conditionality in United Nations assistance. A single-minded focus on coordination may also bring with it increased rigidity in the functioning of the organizations.

C. Model 3 (figure IV). A common board but separate agencies

87. Description: This model would merge the existing governing bodies into one Development Council, meeting once a year and creating separate standing Executive Boards to provide operational governance. The Development Council would meet once a year to approve programmes and budgets and operational policy matters. It would ensure operational coordination.

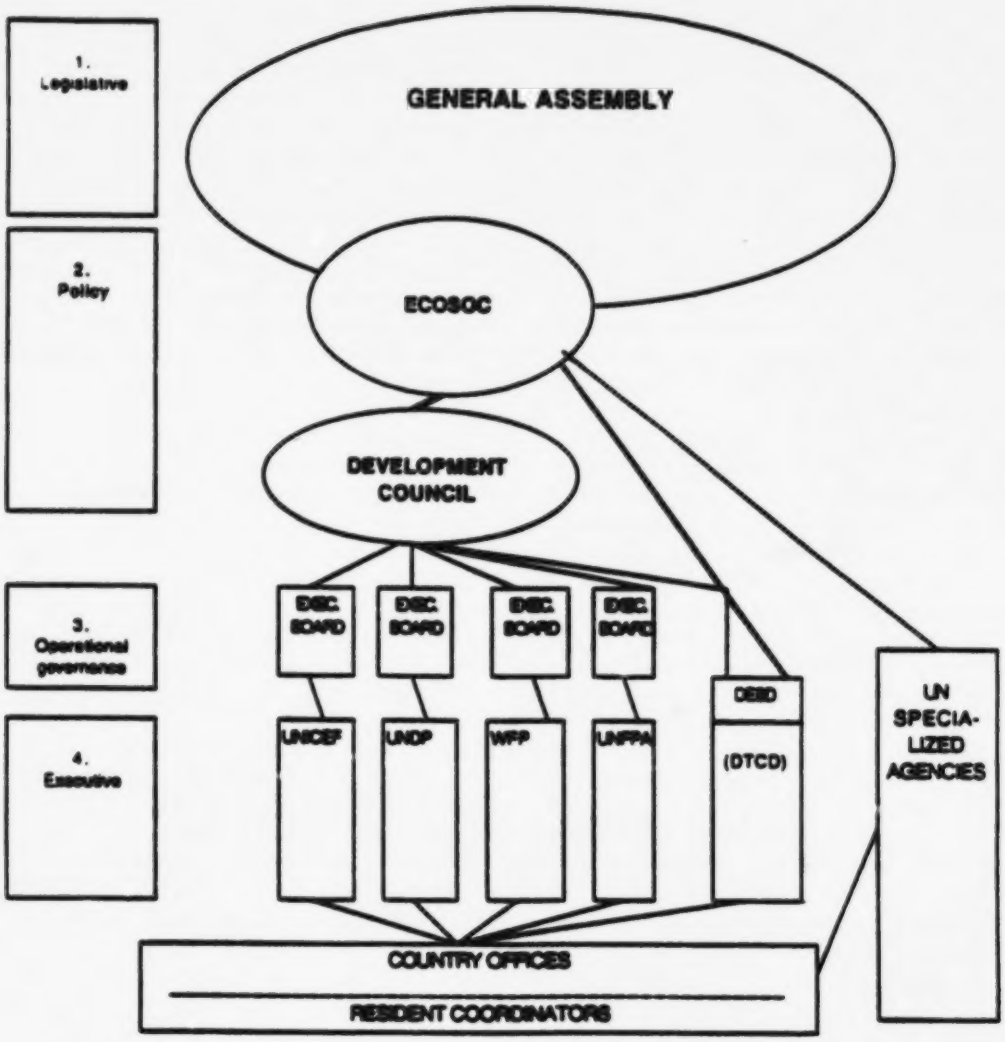
88. Operational governance would be provided by smaller Executive Boards with 12-16 members with alternates. The same individuals may serve on several boards. Each agency would have its own secretariat with substantive and fund-raising staff. Financial and personnel administration would be provided through the secretariat. The country offices could be arranged in the same way as in the previous model.

89. This model puts more emphasis on the individual character of the different funds and programmes. Coordination is provided through the Development Council, which approves programmes and budgets, monitors performance, initiates and reviews thematic evaluations.

90. Advantages: In this model, the different funds retain their individual characters with a more clearly defined role for the executive. The Executive Boards would identify with their agencies and there is more room for specialization. Fund-raising is facilitated as different programmes will advocate their own causes. The common Governing Council ensures coordination between the various funds and programmes. Their field identity remains integrated under the Resident Coordinator.

91. Disadvantages: The impact at the country level remains to a certain degree diffused unless strong national coordination is carried out. The agencies would compete for funds, essentially from similar sources.

Figure IV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D. Model 4 (figure V). Separate agencies

92. Description: In this model the organizations would have the maximum amount of autonomy. Their statutes would have been amended to clearly spell out the scope and purpose of each organization. Participation by Member States in an agency would be optional. Member States which participate would be expected to contribute towards the administrative expenses of the agency. Subject to the policies set by the General Assembly and the Economic and Social Council, the overall United Nations financial and staff regulations and the decisions by their Executive Boards, they would have a considerable amount of freedom to pursue their activities. Coordination would be pursued only if it is essential.

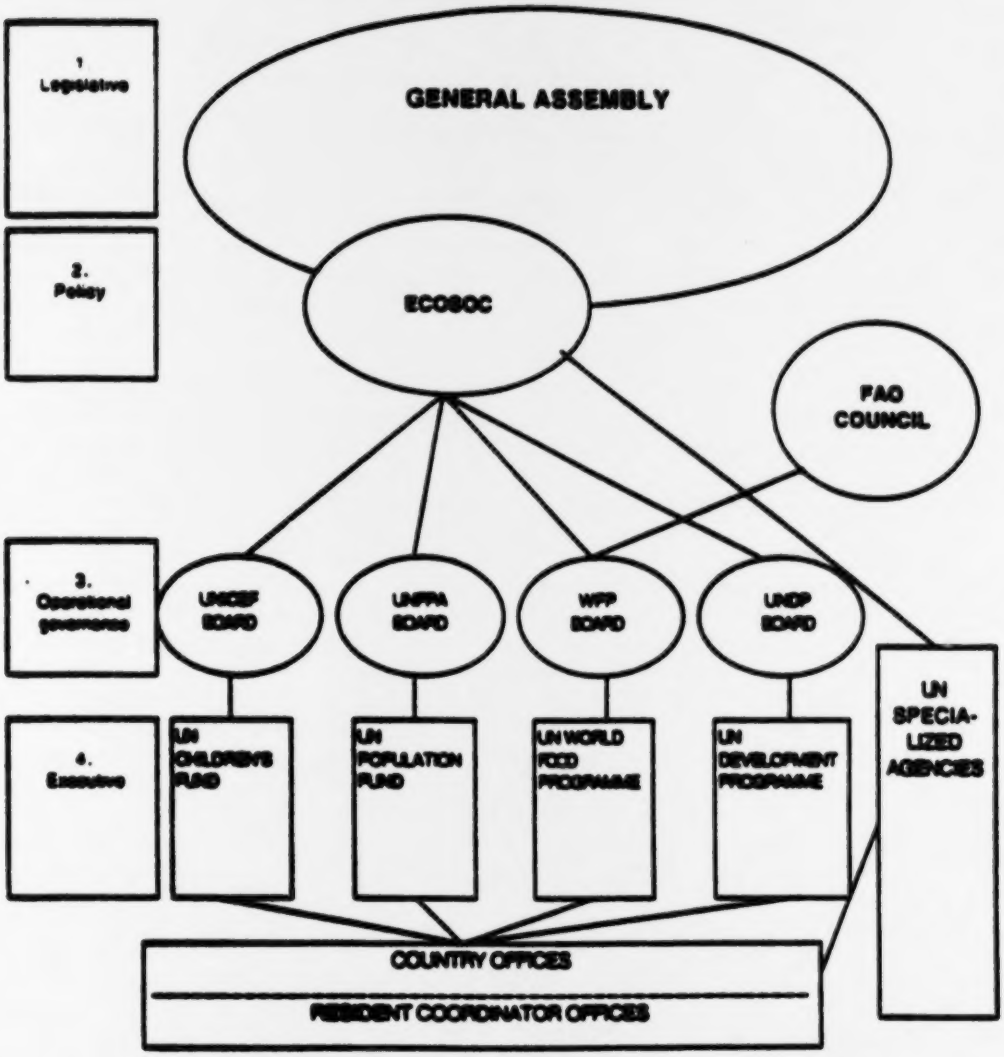
93. The Executive Boards would consist of a maximum of 25 members with alternates. Members are elected by the Council from among participating Member States, with appropriate representation between donor and developing countries.

94. Representation in a country would be technical only. Each agency will decide on its country representation on economic and technical grounds. The Resident Coordinator's office would be facilitating the United Nations system response to the national programming framework.

95. Advantages: The decentralized structure offers the organizations concerned an opportunity to operate in an economic and professional fashion. Their services must be appreciated by both donors and recipient countries or they would lose funds and opportunities. As they are separate financial entities, staff is employed only against the resources of each organization.

96. Disadvantages: Unless there is an effort to clearly delineate the mandates of the different organizations, there is a considerable danger that the organizations would try to pursue topics for which resources are most easily obtained, neglecting other important aspects. Recipient countries with weak structures for aid coordination may find it difficult to coordinate the inputs of such entities with less focused mandates that give them considerable autonomy to pursue various activities. The onus will be on the Boards to ensure that the freedom granted is not abused.

Figure V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RESIDENT COORDINATOR OFFICES

Appendix

TWO REFORM INITIATIVES AND PROPOSALS

A. The Nordic United Nations project

1. The Nordic United Nations project was established in 1988 as a three-year research programme on how to strengthen United Nations activities in the economic and social fields and how to make the United Nations system a more effective instrument for development cooperation. The project was a joint undertaking by the Governments of Denmark, Finland, Norway and Sweden and has been working under the direction and support of a governing body consisting of the under-secretaries for International Development Cooperation of these countries.

2. The reports and the findings of the project have been published in three volumes: Perspectives on Multilateral Assistance (1990); The United Nations: Issues and Options (1991); and The United Nations in Development (1991).

3. The first report, Perspectives on Multilateral Assistance contains eight country case-studies of multilateral assistance provided through the United Nations. The case-studies highlight, among their many findings, the lack of focus of the United Nations programmes, which is illustrated by a large number of small projects distributed over many sectors and often addressing problems of less priority. In addition the quality of implementation of the projects is not adequate, especially with regard to the performance of long-term experts. The reports also indicate inability of the United Nations to utilize its network role and potential capacity to address core policy issues. On the other hand it reaffirms the comparative advantages that the system should have, i.e. the political and commercial neutrality of the system, the broad resource base in the form of the expertise available through the specialized agencies, the multisectoral and interdisciplinary approach, the world-wide competitive bidding system and, finally, the global experience and network function of a system with programmes and offices in all developing countries. The report also addresses itself to the questions of aid coordination and notes that, while in general it is desirable to avoid duplication, the presence of a multitude of interested parties both within and between developing and donor countries can make the "cost" of coordination exceed the benefits thereof.

4. The second volume published by the project, The United Nations: Issues and Options, contained six studies of different aspects of the United Nations and its activities: a review of international future studies, the role of the United Nations in emergencies and ad hoc operations; the role of the United Nations specialized agencies; financing of the multilateral system; and the relations between the United Nations and the Bretton Woods institutions.

5. In the final report by the project, The United Nations in Development, the four under-secretaries who formed the governing body, put forward an agenda for reform, including the following:

1. Strengthening the quality and impact of the United Nations operational activities for development

6. This includes proposals for "the various parts of the United Nations system to improve their performance and better define their roles", for UNDP to concentrate more on "the areas where its comparative advantages lie", and for the specialized agencies to strengthen their normative role, improve their negotiating machinery, restore their analytical capacity, strike a new balance between regular budget and extrabudgetary activities and redefine their role in technical cooperation activities.

2. Improve the governance of the United Nations development organizations

7. It calls for a forum to be created, an International Development Council, to "give effective high-level guidance and cohesion to the executive organs of the United Nations operational activities". In addition, it stresses the advantages of giving the United Nations organizations involved in operational activities for development new, smaller executive bodies to support and guide the management of these organizations on a more continuous basis. Representation on such bodies should be arranged through the formation of election groups among the Member States.

3. Increasing the efficiency of the administrations in the United Nations organizations

8. This calls for the merging of the Department for International Economic and Social Affairs and the Office of the Director-General for Development and International Economic Cooperation (which has since been done) and a review of the United Nations salaries and benefits to enable it to maintain the quality of its services.

4. Financing the United Nations development programmes and funds

9. The agenda calls for a revision of the present funding system for United Nations operational activities. It proposes a broadened funding base combining three sources: assessed contributions from all Member States, negotiated pledges and voluntary contributions. The assessed contributions would emphasize the principle of shared responsibility between all participants. The bulk of the resources would come from a process of negotiated pledges similar to the replenishment process for the soft windows of the international financial institutions, where the volume can be related to defined objectives and the financing shares agreed, all in one context.

10. The second part of the final report contains suggestions put forward by the secretariat of the project. The reform issues identified, in addition to those above, include, inter alia:

(a) Clearer division of responsibilities between the General Assembly and the Economic and Social Council;

(b) System of three or four deputy secretaries-general with delegated responsibilities;

(c) Role of the United Nations resident coordinator to be defined;

(d) Unified, career-based personnel system embracing all the staff of the operational organizations to be considered;

(e) Consolidated financial management system for all the resources for operational activities to be considered;

(f) Merger of the Department for Technical Cooperation for Development with the UNDP Office for Project Services to be considered;

(g) Extrabudgetary activities in the specialized agencies to be organized as self-financing entities covering their full cost;

(h) Designation of a proper forum where donors, recipient countries and United Nations agencies concerned can meet to agree on a concerted approach to deal with emergencies and disasters;

(i) WFP to be given responsibility for assessment and approval of emergency food operations;

(j) Better system for funding refugee operations, either as a contingency fund or as an emergency insurance scheme;

(k) Revision of the procedures relating to governance without which funding of the United Nations organizations is unlikely to be increased;

(l) Financing of global environment programmes to take into account proposals for international levies and a "clearing-house fund".

Follow-up activities

11. The follow-up reports to the Nordic United Nations project have included a background paper on governance and execution in United Nations operational activities for development. It highlights:

(a) The need for an institution that can formulate and reach agreement on overall development policies for the United Nations and for the secretariats involved, an International Development Council, and the need for a body capable of translating overall policy into operational policy decisions to guide the organizations;

(b) Efficient decision-making on operational matters must be delegated to smaller standing bodies which can deal effectively with the guidance, direction and support of the operational organizations;

(c) The tendency by governing bodies to push controversial and sensitive issues to the secretariats, who are ill-equipped to deal with political issues and show a strong risk aversion in their proposals.

12. In a discussion paper as a follow-up to the Nordic United Nations project, "Governance of United Nations operations for development: options for reform", a team of consultants from the Nordic countries put forward three objectives for reform:

(a) To increase the importance of the United Nations in the international policy dialogue on development;

(b) To improve the impact of United Nations development cooperation through effective policy-making and operational governance;

(c) To increase the responsiveness of United Nations agencies to governing body decisions.

13. The paper outlines two options for improved governance of United Nations funds and programmes, based on three types of decision-making that are required for governance:

(a) A political forum with decision-making functions within politics and legislation;

(b) A policy-making and priority-setting body with decision-making functions on medium-term planning and coordination of programmes;

(c) An executive body with decision-making functions on operational governance of the individual funds and programmes.

14. The two options correspond to two different operational roles that the United Nations can aim to play in the future. Option 1 is designed with the view of the United Nations as a unified system with centralized policy-making and priority-setting to ensure planned implementation of the United Nations overall objectives and strategies. Option 2 is designed in response to the view of the United Nations as a number of critical partners in development with decentralized policy-making and priority-setting. The options also reflect different financing arrangements in correspondence with the different approaches.

B. A successor vision

15. The outcome of a two-year (1985-1987) research programme of the United Nations Association of the United States of America entitled "The United Nations Management and Decision-Making Project", the publication in 1988 of A Successor Vision: The United Nations of Tomorrow, 3/ was a significant contribution to the reform discussion. The distinguished international panel based its proposals on the conclusions of the best expertise available on United Nations matters, backed by the studies and reports of senior management consultants.

16. The panel's proposals centre around a global watch function for all areas outside the jurisdiction of the Security Council: how to identify urgent international problems; how to build consensus on what is to be done; and how to translate these agreements into action. With regard to operational activities and their governance the report was based on the 1975 report of the Group of Experts on the Structure of the United Nations System, and on the Jackson Report of 1969. Institutionally the report suggests:

At the intergovernmental level

(a) Elimination of the Second and Third Committees;

(b) Expansion of the Economic and Social Council to universal membership;

(c) Creation of a 25-member ministerial board, attached to the Council;

(d) Replacement of the separate executive boards of UNDP, UNFPA, WFP and UNICEF by a single "Development Assistance Board";

(e) Merging the Special Political Committee into the Fourth Committee;

At the Secretariat level

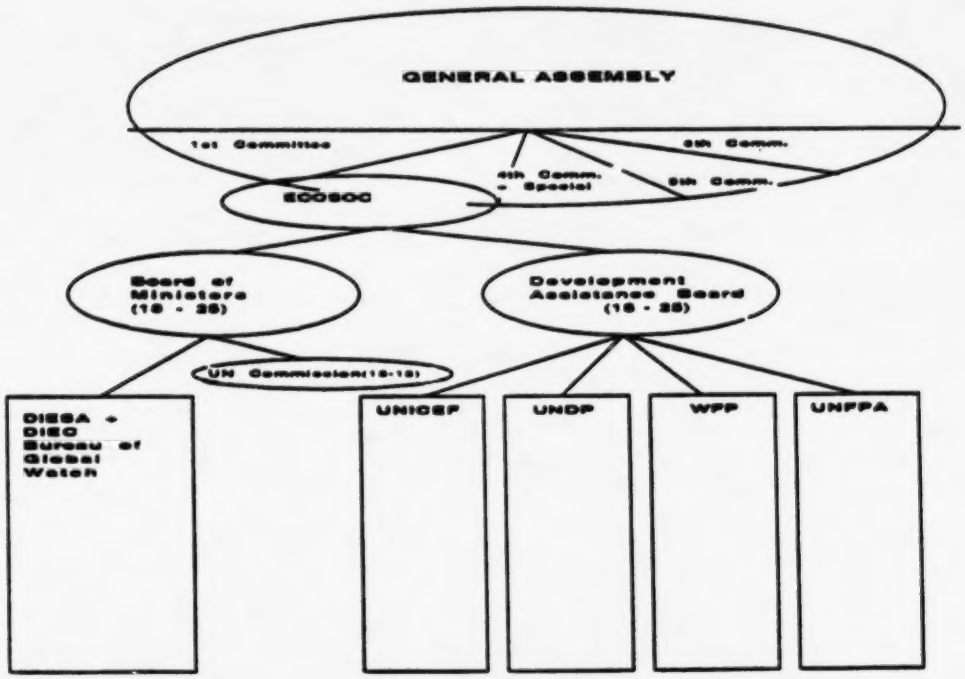
(a) Creation of a Bureau of Global Watch within DESD to support the ministerial board;

(b) The ultimate creation, in a two-step process, of a 15 to 18 member United Nations Commission, which would include the directors-general of the principal specialized agencies, the Bretton Woods organizations and GATT;

(c) Merger of the Department of International Economic and Social Affairs with the Office of the Director-General for International Economic Cooperation (this merger has already taken place).

17. The proposed organization could be illustrated as follows:

Figure VI



It takes its point of departure in the need that the United Nations should "be equipped to address, authoritatively and effectively, the urgent issues of human security and welfare that are not within the jurisdiction of the Security Council". Neither the Second and Third Committees nor the Council are judged capable of performing this task because of their size. "What is needed is a small, representative body whose members have the seniority and expertise to undertake consultations, issue joint communiques, and initiate or propose ad hoc actions on behalf of the Governments represented ...". The recommendation calls for the elimination of the Second and Third Committees, making the Council a universal body, and the creation of a Ministerial Board in affiliation with the Council.

Expansion of the Economic and Social Council and discontinuation of the Second and Third Committees

18. If the Council were made into a universal body it would obviate the need for the Second and Third Committees. The Council could have a single annual session held concurrently with the General Assembly and carry out preliminary considerations on all economic and social matters on the agenda. A "Reports and Agenda Committee" should be established to screen and discuss reports emanating from the subsidiary bodies.

The Development Assistance Board

19. The justification for the proposal for substituting a new Development Assistance Board for the Governing Council of UNDP/UNFPA, the Executive Board of UNICEF and the Committee on Food Aid Policies of WFP, is the need for a "central coordinating organization" to effectively combat "the problems of congestion, duplication, recipient overload etc ...". It would be of the same size as the Ministerial Board (maximum 25 members), and its members would be selected on the same permanent/rotational basis. It would be located at United Nations Headquarters and would divide its annual calendar of sessions into separate meeting periods dealing with each programme or fund. The responsibilities of the Board would include the oversight and review of all programme proposals as well as all financial and administrative matters.

Notes

1/ Report of the Secretary-General on the triennial comprehensive review of operational activities of the United Nations system (A/47/... and addenda), table 1; and note by the Secretary-General on comprehensive statistical data on operational activities for development for the year 1990 (A/46/206/Add.4), table A-1.

2/ The Financial Regulations of the United Nations, as adopted by the General Assembly, and amplified by financial rules approved by the Secretary-General (regulation 6.6). Such trust funds, reserve and special accounts may be established outside the programme budget appropriations in respect of specific activities entrusted to the Organization (rule 106.3). Such trust funds, reserve and special accounts are to be administered in accordance with the United Nations Financial Regulations unless the General Assembly provides otherwise.

3/ United Nations Association of the United States of America, A Successor Vision: The United Nations of Tomorrow, Peter J. Fromuth, ed. (Lanham, Maryland, University Press of America, 1988).